



2010 Proposed Budget

Presentation to The Woodlands Township
Third Budget Workshop

August 12, 2009

Board of Directors



From left, Fred Dominick, Karen Hoylman, Kent Johnson, Secretary Claude Hunter, Chairman Nelda Blair, Vice Chairman Peggy Hausman, Treasurer Lloyd Matthews, Don Norrell and Nick Wolda



THE WOODLANDS
CONVENTION & VISITORS BUREAU



Purposes & Services

- Provide leadership for the tourism industry in The Woodlands
- Promote the destination of The Woodlands to meeting professionals, business travelers, tour operators and individual visitors
- Represent hotels, facilities, attractions, restaurants, retail centers and other providers who serve visitors
- Develop, produce, and support key signature events that promote and highlight The Woodlands community
- Help visitors save time and energy in looking for tourism opportunities in The Woodlands and Greater Houston area by providing visitor services



Vision 2034

- Focus Area 5: Economic Development
 - 5.3 Support events, venues and programs to bring visitors to The Woodlands
 - 5.3.1 Support convention and visitor's bureau
 - Support public/private partnerships to increase visitors
 - Expand, support and create new cultural, sporting and entertainment venues
 - Expand collaborative efforts with other regional visitor attraction entities
 - Expand Hotel and Occupancy Tax revenues and tax base
 - Produce and sponsor high quality community events

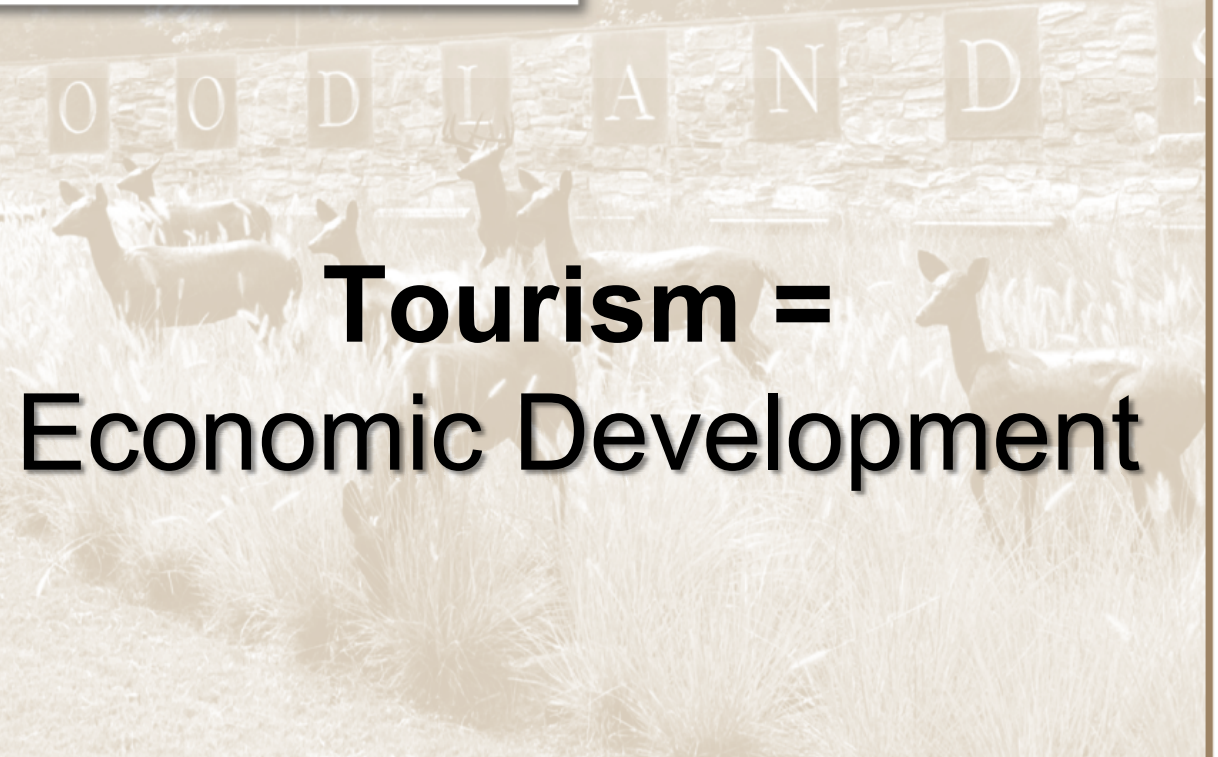




What is Tourism?

- A business of pleasure, learning, culture, social experiences and people gatherings.
- Tourism =
 - Economic Development
 - Money
 - World Diversity
 - Quality of Life
 - Visibility
 - Jobs





**Tourism =
Economic Development**

Tourism is vital in Economic Development

- Retail and projects developed through The Woodlands Development Company and others
- Creation of Economic Development Zones (sales tax based) to support and encourage project development
 - Cynthia Woods Mitchell Pavilion
 - The Woodlands Mall
 - Market Street
 - Waterway Square
- Development of major venues
 - \$51 million Waterway Convention Center
 - Waterway Square
 - Town Green Park
- Promotion of economic development
 - Budget is approximately \$2 million annually
- Major development focus and attention to services
 - Clean, green and safe



WOODLAND





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**Tourism =
Money**

Travel Statistics

- Travel and tourism is a \$1.6 trillion industry.
- Travel and tourism generate \$110 billion in tax revenue for local, state and federal governments.
- Each U.S. household would pay \$995 more in taxes without the tax revenue generated by the travel and tourism industry
- Texas remains one of the most visited states with an estimated volume of 197.5 million domestic travelers
- Nearly 133 million or approximately 67% of domestic travelers were leisure travelers, split almost evenly between day leisure trips and overnight leisure trips

Sources: Greater Houston Convention & Visitors Bureau, State of Texas, United States Travel Association



Visitor Spending in The Woodlands

- Approximately \$2.2 billion in annual aggregate spending in Montgomery County with 80% generated in The Woodlands
(Source: The Perryman Report, February 2008)
- 78% of shoppers to Market Street and The Woodlands Mall are from **outside** The Woodlands (Source: Cunningham Research, September 2007)
- Consumers with zip codes outside of The Woodlands spent more per visit than consumers within The Woodlands (\$111 to \$101 respectively) (Source: Cunningham Research, September 2007)
- Over 70% of visitors to The Pavilion come from 30 miles or greater (Source: Cynthia Woods Mitchell Pavilion)



CONNECTIONS

THE WOODLANDS RETAIL NETWORK

- Connections is a meeting series specially designed for The Woodlands restaurants, hotels and retailers.
- Meetings are held bi-monthly at different businesses throughout The Woodlands.
- Average attendance: 35





Impact of Visitors on Learning Express

“As a resident and business owner of two retail toy stores in The Woodlands, the ongoing marketing of our area to visitors plays an important role in the overall economic vitality of our town.”

– Mike Shinn, owner, Learning Express (Market Street and Woodlands Crossing)





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**Tourism =
World Diversity**

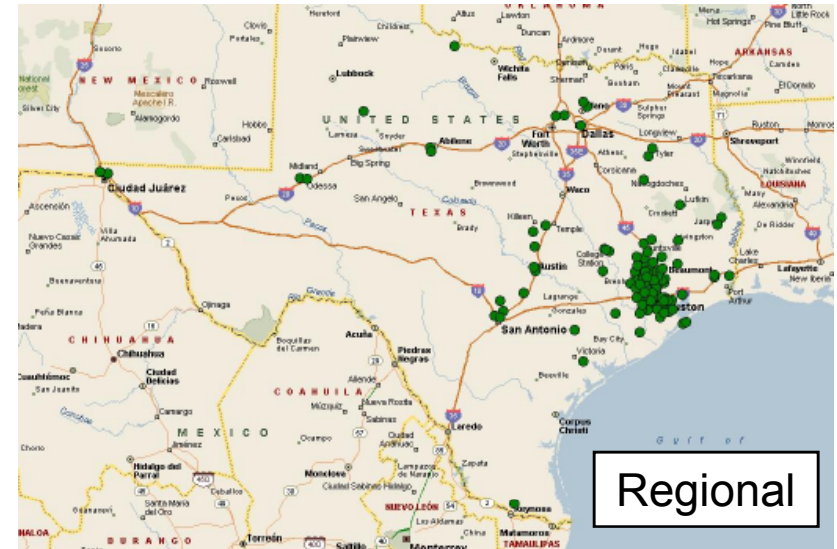
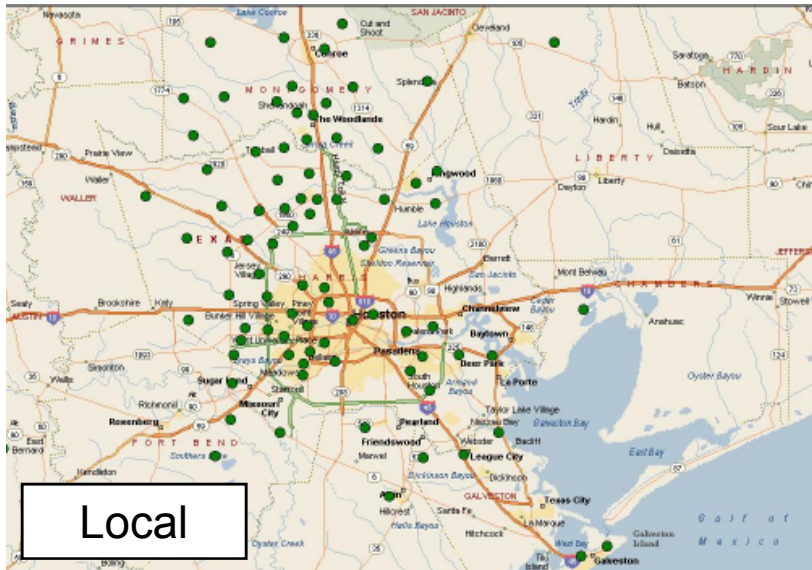


2008 Visitor Activity

- 72,000+ visitors
- 498 different zip codes
- 67 countries
- 49 states (Vermont)



Origins of Visitors



2009 Visitor Activity

(year-to-date)

- 47,618 visitors
- 381 different zip codes
- 51 countries
- 50 states





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**Tourism =
Quality of Life**



What does Quality of Life create?

- A sense of place
- A vibrant community
- Greater emphasis on a clean and safe environment
- Additional shopping, dining, and entertainment opportunities for residents and visitors
- Additional activities for residents and their guests through festivals and events



Market Street saw Tourism Opportunity

“The Woodlands has been everything we thought it would be -- and more. It's the kind of community that's sophisticated, affluent and educated enough to appreciate a project like Market Street. Couple the response from the local market with the **growing number of visitors coming to The Woodlands as a getaway destination** and it's no surprise that we've experienced such success.”

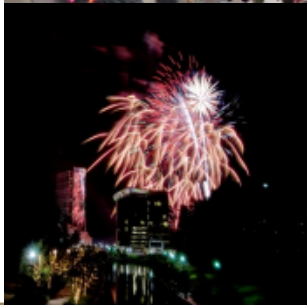
– Terry Montesi, Founding Partner, Trademark Property Company





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Tourism: Quality of Life through Events & Festivals



Why are we in the Event Business

- Does the event attract visitors from the region to shop, stay the night, dine and experience entertainment venues and parks in The Woodlands?
- Does the event provide an amenity or quality of life value to current residents, visitors and businesses?
- Can the event create enhanced regional, if not national. Awareness of The Woodlands as a destination through media coverage?
- Does the event have entertainment value to sponsors or potential sponsors that will allow events to grow more towards self-sustaining status?
- Does the event provide programming and event focus congruent with the high-quality image of The Woodlands?





Event	Attendance
Taste of the Town 2009	6,000
Live at Lunch & Live at Five at Waterway Square 2009	6,500
The Woodlands Waterway Arts Festival 2009	15,000
CB&I Triathlon 2009	3,500
Fiesta Universal 2009	5,000
Wine and Food Week 2009	10,000
Fourth of July Festivities: Star Spangled Salute, Fourth of July Parade, Red, Hot & Blue Festival and Fireworks Extravaganza 2009	120,000+
10 For Texas 2008	2,000
Junior League Holiday Market 2008	8,000
Children's Festival 2007	25,000
Lighting of the Doves, iWOW 2008	12,000
Run Thru The Woods 2008	4,000
The Ice Rink at The Woodlands Town Center 2008	44,000
Donoho's Jewellers Winter Wonderland 2008	150,000
TOTAL EVENT ATTENDANCE PER YEAR	483,000+



Event	
Lighting of the Doves/iWOW 2008	57% planned on spending <i>\$25 or more</i>
Live at Lunch/Live at Five at Waterway Square 2009	43% planned on spending <i>\$25 or more</i>
Red, Hot & Blue Festival 2009	64% planned on spending <i>\$25 or more</i>

$483,000 \times \$25 = \$12,075,000$ direct investment in local economy

Produced events recognized with 17 International Festivals & Events Awards in last five years





Origin of Visitors to Events

Event	% outside The Woodlands
Taste of the Town 2009	39%
Live at Lunch/Live at Five at Waterway Square 2009	32%
The Woodlands Waterway Arts Festival 2009	46%
Wine and Food Week 2009	58%
Red, Hot & Blue Festival 2009	61%
Children's Festival 2007	67%
Lighting of the Doves & iWOW 2008	32%
The Ice Rink at The Woodlands Town Center 2008-2009	55%





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**Tourism =
Visibility**

Making Headlines

Southern Living
January 2009



***The Woodlands Voted
One of America's
Best Shopping
Destinations***

**Continental
Magazine**
July 2009



***The Woodlands Voted
One of Top 25 places to
move to in the U.S.***

Forbes.com
July 2009



\$406,105 Public Relations Value





Media Activity

(year-to-date)

778 articles about The Woodlands




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International Visitors

“We were most impressed with the outstanding community facilities with the varied and comprehensive educational availability, leisure and recreational parks, ever increasing health and welfare connected institutions, **first class gastronomic opportunities to satisfy even the most discerning palates and a rapidly growing business and commercial environment carefully monitored with pragmatism and originality.**”

Since our first visit in 2006 we have returned three times, and are now planning to return for the Lighting of the Doves and Christmas in the next fall. The Woodlands is now our second home and hope that our family can remain and continue living there for many years to come where we hope to return as frequently as possible.”

- Karin & Patrick Wilson, Buenos Aires, July 2009





Conversion Study:

2008 Spring/Summer Discovery Guide

- 99% planned on visiting The Woodlands
- 88% considered The Woodlands for a getaway
- 82% visited The Woodlands after receiving
- 55% were from **outside** Montgomery County





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Tourism: Jobs

Why Huntsman Corporation chose The Woodlands



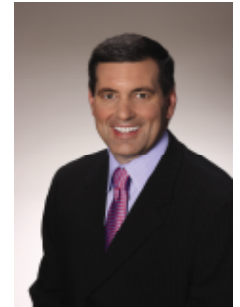
“The Woodlands provides an extraordinary environment in which to work and live, with excellent schools, parks, trails and a wide range of housing options. While not all of our associates reside in the immediate area, those that commute here from other areas still benefit from the proximity to our office of **excellent dining and shopping options amid the beauty of our forested Town Center.**”

– Russ R. Stolle, Global Public Affairs and Communications,
Huntsman Corporation





Why US Oncology chose The Woodlands



“We chose The Woodlands as the home of the US Oncology headquarters because it is located conveniently for our employees, **offers beautiful natural surroundings and has many amenities within walking distance of our office.** This helps us increase wellness, collaboration and inspiration amongst our employees, and our new neighbors in The Woodlands have been very warm and welcoming. We are extremely happy to be here.”

– Bruce Broussard, President and CEO, US Oncology





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Group Sales Initiative

Group Sales Approach

- “SMERF” Market

- Social
- Military
- Education
- Religious
- Fraternal

- Represent hotel properties in promoting The Woodlands for:

- Bus Tours
- Reunions
- Sporting Events
- Trade Shows
- Convention Groups
- Weddings





Group Sales Objectives

- Increase number of confirmed groups and SMERF business to The Woodlands to maximize utilization of all meeting facilities and hotel rooms
- Identify and develop qualified leads from targeted market segments
- Utilize local members and officers to solicit state-wide organizations through local marketing programs
- Strengthen The Woodlands' image and visibility as a premier destination for meetings, sporting events, reunions, weddings, conventions and more



Current Position

- No single entity promoting all of The Woodlands hotels in the SMERF business
- What Impact will this initiative on Group Travel Market?



Impact of Groups

- **Bus Tours**

- Average number of overnight passengers ranges from 38.1 to 45.4
- A visit by an overnight motorcoach group leaves from \$5,000 to \$11,000 in a destinations economy

- **Reunions**

- 46% of reunions last three days
- 25% use CVB services

- **Sporting Events**

- \$261,165 is the overall spending per event
- Quality and availability of sports venues are the most important factors in site selection



Impact of Groups

- **Trade Shows**

- 81% of attendees stay in a designated hotel
- 76% of attendees spend their money on lodging, incidentals, and food and beverage

- **Weddings**

- 2.3 million couples wed every year in the U.S.
- \$28,000 is the average amount spent on weddings
- August, September, and October are the most popular wedding months





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Water Taxi

Water Taxi Initiative



- Unique offering of any other shopping district in the Greater Houston area and in the state of Texas
- Promotion of The Woodlands as a unique destination for shopping, dining and entertainment
- Decent ridership despite no marketing



August 8, 2009



Needs

- Creating a consistent schedule and experience for residents and visitors to The Woodlands
- Need of renovation and rebranding
- Marketing



Water Taxi Marketing Plan

- Increase Brand Recognition
- Involvement by local restaurants
- Sponsorship/Paid Advertising on boats
- Public Relations



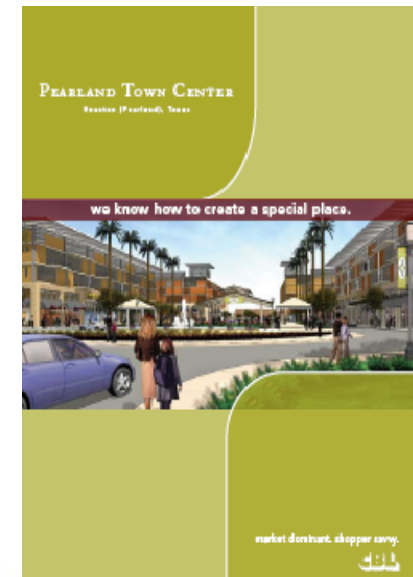
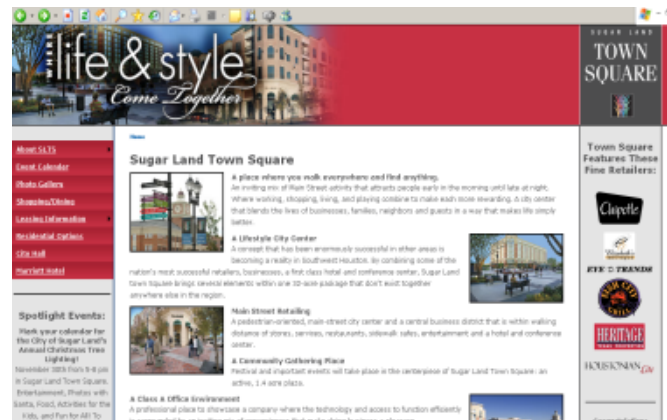


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The Future of Tourism

The Competition



Westchase District has ideas to develop a waterway





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QUESTIONS?